

Press Release 20 July 2012

LODDON RECYCLING LIMITED (IN ADMINISTRATION)

Anthony Peter Davidson and Stephen Blandford Ryman, both of Shipleys LLP, were appointed joint administrators of Loddon Recycling Limited on 2 July 2012, as the company's directors had recognised that it was unable to meet its liabilities as they fell due.

The Company was incorporated on 28 November 2003 and was formed to find viable and environmentally acceptable ways to remove end of life batteries from the waste stream. It operated from Units 4-7, Highfield, Lasham, Alton, Hants.

Technical changes in the protocol relating to recycling late in 2010 favoured the company's competitors and as a result the businesses turnover fell. In August 2011, a fire at the company's premises caused substantial damage to machinery and the 400 tonnes of batteries on site that were ready for recycling. Fire damage to the batteries increased the recycling costs placing a further strain on the company's finances.

As a result, the business became unable to meet its liabilities as they fell due and consequently the directors sought specialist corporate recovery advice. The joint administrators undertook a marketing exercise and offers were received, including an offer to purchase the business and assets of the company through a pre-pack arrangement.

Under this arrangement, the damage to the business is minimised and the all employees are transferred under the TUPE regulations, so the loss of jobs which would occur if the company was wound up is avoided. The absence of claims for redundancy and pay in lieu of notice combined with the payment received to buy the business mean that there is the prospect of a payment being made to unsecured creditors.

The joint administrators therefore accepted an offer for the business and assets from Silver Lining Industries Limited on 2 July 2012 and the full consideration has been paid.

Anthony Davidson said; 'I am pleased to announce that the offer was accepted on the same day that the company was placed into administration. As a result, more than 15 employees have kept their jobs and we hope to make a distribution to the unsecured creditors, however the quantum and timing of this is unknown at this stage.'

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